

NAVIGATION TECHNOLOGIES FOLLOW-UP FOCUS GROUPS

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TABLE OF CONTENTS

Page

INTRODUCTION

Background and Objectives.....11

Sample.....11

EXECUTIVE SUMMARY

Executive Summary.....E1

DETAILED FINDINGS

Overview of Detailed Findings.....1

Experience with System on Test Drive/User Interface Issues

 System Ergonomics.....2

 System ’s Placement in Vehicle.....2

 User Interface Issues.....4

 Accuracy of Routing.....6

Advantages/Disadvantages of Owning a System.....7

Marketing.....9

 Product.....9

 Promotion.....16

 Distribution.....20

 Price/Purchase Behavior.....22

Points Of Interest (POIs)26

Upgrades/Updates of Database.....28

Open Question.....31

Other Questions.....33

APPENDICES

Appendix A: Group Profiles.....AA1

Appendix B: Moderator’ s Guide.....AB1

INTRODUCTION

NAVIGATION TECHNOLOGIES FOLLOW-UP FOCUS GROUPS

INTRODUCTION

Background and Objectives

In June, Navigation Technologies (NavTech) commissioned J.D. Power and Associates (JDP&A) to conduct a quantitative study among potential non-fleet buyers of in-vehicle navigation systems. The purpose of this Study was to gather information which would assist NavTech and the other producers of this system in their efforts to successfully market the system to end-users. The Study consisted of ten two-day test drives of vehicles with navigation systems across three markets: Garden City, New York; Chicago, Illinois; and Whittier, California.

While this Study was designed to be quantitative, and was supported by three different questionnaires completed by participants at various times throughout the test drive, this research design did not allow for the substantial respondent feedback that was received. As such, NavTech further authorized JDP&A to conduct a follow-up focus group in each of the three markets.

The primary objective of the focus groups was to gather more detailed information from selected quantitative Study participants on a number of topics, including some from the quantitative Study questionnaires as well as new topics.

Sample

Participants were recruited by JDP&A from a list suggested by those in the NavTech field offices who conducted the test drives and who interacted with the quantitative Study participants. In general, participants on the suggested focus group list were those who had a number of additional comments upon returning their cars at the end of the two-day test drive. Participants were recruited from July 31 through August 15. For a list of participants, please see Appendix A.

EXECUTIVE SUMMARY

NAVIGATION TECHNOLOGIES FOLLOW-UP FOCUS GROUPS

EXECUTIVE SUMMARY

The following summarizes insights gained from three focus groups conducted in Garden City, NY; Chicago, IL; and Whittier, CA. Focus group participants represented potential non-fleet buyers of in-vehicle navigation systems, and were culled from a larger group that participated in a two-day test drive in the three cities. Potential focus group participants were identified based on the quantity and quality of their unsolicited comments following the test drives.

- Most participants found the system easy to learn, use, and see. Recommended product enhancements include:
 - Greater volume; radio interrupt when the system gives verbal prompts
 - Ability to adjust advance warning times for upcoming turns and exits
 - Better description of POI categories and their contents
 - Ability to route multiple addresses; plot most efficient route to visit all addresses
 - Portability/transportability; ability to move the system between vehicles
 - To prevent theft, a “kill switch,” and/or quick-release feature/detachable faceplate
 - Ability to reboot the system without turning the car off
 - An alpha-numeric keypad to make entries quicker (than scrolling)
 - Something (like an on-screen tree directory) to make the POI categories and their contents less confusing
- Participants were asked their preferences for factory-installed m-dash versus aftermarket systems (“aftermarket ” defined as the system as tested). A very slight leaning toward aftermarket was expressed by some participants, due to perceived lower cost and potential portability of the unit. Overall, however, no strong preferences for either configuration emerged; participants cited several advantages and disadvantages for each.

In-dash advantages included lower theft risk, better ergonomics and aesthetics, and fewer problems resulting from shoddy installation. ***Disadvantages*** were lack of transportability, getting “locked into ” a car dealer (higher-cost system maintenance), limited availability on different models, and passengers’ inability to swivel and view the screen. Expected prices for a factory-installed in-dash system ranged from \$1,000 to \$2,000. Chicago responses were generally lower while Los Angeles responses were highest.

Aftermarket advantages included potential transportability, lower cost, greater flexibility in where to place the unit in the vehicle, and not having to interact with a car dealer. ***Disadvantages*** included possibly shoddy installation, greater theft risk (due to higher visibility), and a possibly less desirable warranty. Expected prices for aftermarket systems were generally 25 to 50% lower than expected in-dash prices.

EXECUTIVE SUMMARY

Few participants expressed a strong desire to immediately buy a system; most preferred to wait for lower prices, for “bugs” to be worked out, for update/upgrade processes and costs to be more certain, and for more extensive dealer/service networks.

For marketing the system to consumers unfamiliar with the technology, several participants suggested a kiosk display capable of demonstrating route guidance for a tester-specified destination. They felt that 10 to 15 minutes with the kiosk would provide ample time for people to experience the system and its capabilities. Related suggestions included providing a mock vehicle interior kiosk, incorporating directions *on using the* display as well as information on the technology, and coupling the kiosk demonstration with a test drive, which would allow consumers to see the system work “in the real world” and boost confidence in the system.

Consumer “hot buttons” in advertising centered on the more emotional aspects of safety, confidence, and security, as well as the more rational aspects associated with the convenience provided by the: system Mentions included;

- Safety
- Sense of security, confidence, and freedom provided by knowing where you are and where you are going
- Convenience/saves time and money
- Fun, Entertaining
- Ability to find out about new places
- Less distracting than maps
- Accurate and up to date
- User friendly
- Save “face” (i.e., don't have to stop and ask for directions)

Concerning different distribution channels, participants favored a factory-authorized installation site specializing in high tech products; such as cellular phone dealers, electronic specialty stores, and car dealers. Business stability, reputation, factory-authorization, warranty, and price were all strong considerations.

Three primary issues arose with respect to Points of Interest (POIs) First, most participants **wanted** more complete listings within certain POI categories, notably ATMs and restaurants. **The second** issue centered on confusing POI categories; specifically the inability to determine **what's** contained in certain POI categories. Third, several participants liked the idea of “**unbundling**” some POI listings and selling more in-depth listings separately. They **suggested keeping** emergency listings in a basic database, and selling more in-depth listings of, sky, restaurants and tourist attractions separately for \$10. Reactions to possible POI advertising was not overly positive, except in its potential for lowering system prices.

NAVIGATION TECHNOLOGIES FOLLOW-UP FOCUS GROUPS

EXECUTIVE SUMMARY

- The frequency of updates/upgrades would be highly dependent, participants said, on the age of the area in which they travel. Participants agreed, though, that if the system routed them incorrectly two to three times, they would be convinced of the need for an update. Some participants felt POIs would need updating more often than road information. The anticipated cost of updates/upgrades varied by city, with Los Angeles again being highest. Overall, participants were willing to pay \$25 to \$50 per year for updates/upgrades.
- Several potential methods and locations for obtaining updates/upgrades were mentioned, but virtually all participants agreed that updates would have to be quickly and conveniently obtained. Continuous, real-time updating via a cellular phone link was not readily acceptable to participants, perhaps because they failed to understand the concept and focused on the high cost of cellular air time, but also because they did not want to pay for “automatic” updates (i.e., updates every time they started their car/system).
- Of potential product names, “Satellite Guidance” was most positively perceived, but none of the four suggested names (including Satellite Guidance) were overly popular.
- Both women and men found the Avis television spot (featuring the “lost” mom and her children) to be appealing from a safety and peace of mind standpoint. Participants were also favorable to a similar proposed ad showing “lost” business people who find their destination on time, feeling that it communicated “convenience,” “time-saving,” and “professional success” to a different market segment.